

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

HALEY IP, LLC,
Plaintiff,

v.

MOTIVE TECHNOLOGIES, INC.,
Defendant.

Case No. [23-cv-02923-HSG](#)

**ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS**

Re: Dkt. No. 50

Pending before the Court is Defendant Motive Technologies, Inc.'s motion to dismiss Plaintiff Haley IP, LLC's complaint pursuant to Federal Rule of Civil Procedure 12(b)(6). Defendant moves to dismiss on the grounds that all claims of the asserted patent are invalid under 35 U.S.C. § 101. For the following reasons, the Court **GRANTS** the Motion.¹

I. BACKGROUND

On January 16, 2023, Plaintiff brought this patent infringement action against Defendant alleging infringement of United States Patent No. 10,204,261 (the "'261 patent"). *See* Dkt. No. 1. The '261 patent relates to "a novel and improved camera system and associated methods for monitoring a driver of a vehicle." *Id.* at ¶7.

According to the '261 patent, there was a need in the market "to know how much a vehicle is driven, by whom, when, where, at what speed compared to the speed limit, carrying what load, and whether any of the drivers take their eyes off the road for too long or engage in other risky driving behaviors." *See* '261 patent at 1:11-16. This need was met in the prior art by the installation of cameras "that take images of drivers while they are driving and send images to the

¹ The Court finds this matter appropriate for disposition without oral argument and the matter is deemed submitted. *See* Civil L.R. 7-1(b).

1 insurance companies for a human review.” *Id.* at 1:42-45. The ’261 patent is thus directed to an
2 “improved device to do this and more” by automating various aspects of this process. *Id.* at 1:45-
3 59.

4 The ’261 patent has 3 independent claims: claims 1, 16, and 17. Claim 17 of the ’261
5 patent recites:

6 A system for use in a vehicle, comprising:

- 7 (a) a camera adapted for installation in a vehicle aimed at a location
to capture images of a driver's face;
- 8 (b) coupled to the camera, a circuit that includes an image processor
9 that processes image data to generate processed facial identifying
data to identify human faces;
- 10 (c) coupled to the circuit, a radio communications link with an
11 antenna adapted for communications to a wide area radio
network;
- 12 (d) wherein the circuit reports to a server across the wide area radio
13 network the processed facial identifying data regarding identity of
14 a driver and issues auditory reports or visual reports or both to the
driver of the vehicle when it reports to the server that the driver
was exceeding a speed limit by more than a threshold.

15 *Id.* at 14:3-17. Claims 1 and 16 are substantially identical to claim 17 except that instead of
16 “issu[ing] auditory reports or visual reports or both to the driver of the vehicle when it reports to
17 the server that the driver was exceeding a speed limit by more than a threshold,” the system
18 “instructs a mobile telephone to enter a restricted mode” and “reports that it has instructed the
19 mobile telephone to enter a restricted mode” (Claim 1) or “if the mobile telephone does not
20 respond that it has entered the restricted mode, reports to the server across the wide area radio
21 network that the mobile telephone has not responded that it has entered the restricted mode.”
22 (Claim 16). *See id.* at 12:2-18, 13:4-19.

23 On August 18, 2023, Defendant moved to dismiss the complaint on the ground that the
24 ’261 patent is invalid as a matter of law under 35 U.S.C. § 101. *See* Dkt. No. 50.

25 **II. LEGAL STANDARD**

26 Rule 8(a) requires that a complaint contain “a short and plain statement of the claim
27 showing that the pleader is entitled to relief[.]” Fed. R. Civ. P. 8(a)(2). A defendant may move to
28

1 dismiss a complaint for failing to state a claim upon which relief can be granted under Rule
 2 12(b)(6). “Dismissal under Rule 12(b)(6) is appropriate only where the complaint lacks a
 3 cognizable legal theory or sufficient facts to support a cognizable legal theory.” *Mendiondo v.*
 4 *Centinela Hosp. Med. Ctr.*, 521 F.3d 1097, 1104 (9th Cir. 2008). To survive a Rule 12(b)(6)
 5 motion, a plaintiff must plead “enough facts to state a claim to relief that is plausible on its face.”
 6 *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim is facially plausible when a
 7 plaintiff pleads “factual content that allows the court to draw the reasonable inference that the
 8 defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). In
 9 reviewing the plausibility of a complaint, courts “accept factual allegations in the complaint as
 10 true and construe the pleadings in the light most favorable to the nonmoving party.” *Manzarek v.*
 11 *St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). Nonetheless, courts do not
 12 “accept as true allegations that are merely conclusory, unwarranted deductions of fact, or
 13 unreasonable inferences.” *In re Gilead Scis. Secs. Litig.*, 536 F.3d 1049, 1055 (9th Cir. 2008).

14 Section 101 of the Patent Act describes the scope of patentable subject matter as
 15 encompassing “any new and useful process, machine, manufacture, or composition of matter, or
 16 any new and useful improvement thereof.” 35 U.S.C. § 101. It is well settled that laws of nature,
 17 natural phenomena, and abstract ideas are excluded from the universe of patentable subject matter.
 18 *See Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). These categories are not patent-
 19 eligible because “they are the basic tools of scientific and technological work,” which are “free to
 20 all men and reserved exclusively to none.” *Mayo Collaborative Servs. v. Prometheus Labs.*, 566
 21 U.S. 66, 71 (2012) (citations omitted). Allowing patent claims for laws of nature, natural
 22 phenomena, and abstract ideas would “tend to impede innovation more than it would tend to
 23 promote it,” thereby thwarting the primary object of the patent laws. *Id.* However, the Supreme
 24 Court has also recognized the need to “tread carefully in construing this exclusionary principle lest
 25 it swallow all of patent law.” *Alice*, 573 U.S. at 217.

26 The Supreme Court and Federal Circuit have articulated a two-part test for determining
 27 whether a claim’s subject matter is patent-eligible. First, a court “determine[s] whether a claim is
 28 ‘directed to’ a patent-ineligible abstract idea.” *Content Extraction & Transmission LLC v. Wells*

Fargo Bank, Nat. Ass’n, 776 F.3d 1343, 1346-47 (Fed. Cir. 2014) (citing *Mayo*, 566 U.S. at 75-76). If so, the Court then “consider[s] the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea.” *Id.* at 1347. “This is the search for an ‘inventive concept’—something sufficient to ensure that the claim amounts to ‘significantly more’ than the abstract idea itself.” *Id.* (quoting *Mayo*, 566 U.S. at 72-73).

To determine whether the “claim’s character as a whole is directed to excluded subject matter” the Court evaluates the claimed “advance” over the prior art. *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1325 (Fed. Cir. 2017) (quotation omitted). “At *Alice* step one, ‘it is not enough to merely identify a patent-ineligible concept underlying the claim; [the court] must determine whether that patent-ineligible concept is what the claim is ‘directed to.’” *Data Engine Techs. LLC v. Google LLC*, 906 F.3d 999, 1011 (Fed. Cir. 2018) (quoting *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1050 (Fed. Cir. 2016)). The Court must “examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.” *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016). Finally, in *Aatrix Software, Inc. v. Green Shades Software, Inc.*, the Federal Circuit emphasized that the question of eligibility may be determined at the pleadings stage “only when there are no factual allegations that, taken as true, prevent resolving the eligibility question as a matter of law.” 882 F.3d 1121, 1125 (Fed. Cir. 2018).

III. ANALYSIS

A. The Court Treats Claim 17 As Representative

As a threshold issue, the parties dispute whether claim 17 of the ‘261 Patent is representative. *Compare* Dkt. No. 50 (“Mot.”) at 17-18 *with* Dkt. No. 66 (“Opp.”) at 5-6. When assessing patent eligibility under 35 U.S.C. § 101, “[c]ourts may treat a claim as representative in certain situations, such as if the patentee does not present any meaningful argument for the distinctive significance of any claim limitations not found in the representative claim or if the parties agree to treat a claim as representative.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018). Here, Plaintiff has failed to present any “meaningful argument” for the distinctive

significance of any claim limitations not found in claim 17, merely asserting that “each independent claim is novel for different reasons.” Opp. at 6.² Such “ cursory comments . . . do not present meaningful arguments for meaningful differences.” *Splunk Inc. v. Cribl, Inc.*, No. 22-CV-07611 WHA, 2023 WL 2562875, at *5 (N.D. Cal. Mar. 17, 2023). Accordingly, the Court treats claim 17 of the ’261 Patent as representative.

B. *Alice* Step One

Proceeding to the first part of the two-part test outlined in *Alice*, the Court finds that the claims of the ’261 patent are directed to the abstract idea of (1) identifying the driver of a vehicle, (2) detecting driver behavior and/or vehicle activity, and (3) taking corresponding actions in response. The claimed system comprises generic computer and network components – a “camera,” a “circuit,” a “processor,” a “radio communications link with an antenna,” and a “server” – wherein these components capture an image of the driver’s face, process the data to identify the driver, communicate with a server regarding the data, and take various actions (e.g., issuing a report) in response to certain driver activity or vehicle data (e.g., exceeding a speed threshold).

When analyzing whether a claim is directed to an abstract idea, it is helpful for courts to ask whether the claims’ steps “can be performed in the human mind, or by a human using a pen and paper.” *OpenTV, Inc. v. Apple, Inc.*, 2015 WL 1535328, at *4 (N.D. Cal. Apr. 6, 2015) (quoting *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011)); *Trinity Info Media, LLC v. Covalent, Inc.*, 72 F.4th 1355, 1361–62 (Fed. Cir. 2023). Defendant argues, and the Court agrees, that the ’261 patent recites steps that a person, such as a passenger in a vehicle, could perform. Claim 17 requires that the system capture an image of the driver’s face, process the image data to identify the driver’s face, report the identity of the driver, and issue auditory or visual reports when it reports that the driver was exceeding a certain speed threshold. While the claimed system uses computer and networking components to accomplish the result,

² Plaintiff argues that claim 17 is not representative because the U.S. Patent and Trademark Office found each independent claim novel, but the same is true for all claims not rejected on novelty grounds by the patent office. Plaintiff does not make any meaningful argument as to why the independent claims of the ’261 are distinct for purposes of patent eligibility under Section 101.

nothing in the claim language or specification suggests a human would not be able to perform those same steps. For example, a human passenger in a vehicle could also capture an image of the driver's face, recognize a driver, report that information to a database, and issue reports when a certain speed threshold is crossed. Indeed, the specification even states that, in the prior art, certain of the claimed steps were performed manually by humans. *See* '261 patent at 1:42-45, *Opp.* at 7. The Federal Circuit has repeatedly recognized that claims directed to the collection, organization, and transmission of data are "within the realm of abstract ideas." *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (collecting cases); *see also, Content Extraction*, 776 F.3d at 1347 ("The concept of data collection, recognition, and storage is undisputedly well-known.").

Plaintiff argues that the claim's requirements of specific technological components (camera, image processor, and antenna) preclude a finding of patent ineligibility. *Opp.* at 6. Not so. The fact that some technology (e.g., a camera) may be required does not mean that the claims are not abstract, when the technology claimed is only conventional components performing their basic functions. For example, in *Yu v. Apple Inc.*, 1 F.4th 1040 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 1113 (2022), the Federal Circuit affirmed a finding that a patent claiming an improved digital camera system using two image sensors was directed to the abstract idea of "taking two pictures (which may be at different exposures) and using one picture to enhance the other in some way." *Id.* at 1043. The Federal Circuit found that the "idea and practice of using multiple pictures to enhance each other has been known by photographers for over a century" and that "[o]nly conventional camera components are recited to effectuate the resulting 'enhanced' image." *Id.* Here too, the components recited in the '261 patent "were well-known and conventional" and "as claimed, these conventional components perform only their basic functions . . . and are set forth at a high degree of generality." *Id.*

Plaintiff further argues that the '261 patent cannot be directed to an abstract idea because it is an improvement over prior art and identified an unmet need at the time of invention. The Court disagrees. Plaintiff confuses an inventive concept with novelty, which does not necessarily transform an abstract idea into a patentable one. *See, e.g., SAP Am., Inc. v. InvestPic, LLC*, 898

1 F.3d 1161, 1163 (Fed. Cir. 2018) (“We may assume that the techniques claimed are
2 groundbreaking, innovative, or even brilliant, but that is not enough for eligibility.”);
3 *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (“We do not agree ... that the
4 addition of merely novel or non-routine components to the claimed idea necessarily turns an
5 abstraction into something concrete.”). The improvements claimed in the ’261 patent are not
6 directed to improvements in *computer functionality*, but merely improvements in efficiency or
7 speed by automating review of vehicle camera images and driver behavior that was previously
8 accomplished via human review. The fact that computer components can carry out the abstract
9 idea faster and more efficiently is “insufficient to render the claims patent eligible.” *Enco Sys.,*
10 *Inc. v. DaVincia, LLC*, 845 F. App’x 953, 957 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 435
11 (2021).

12 For a similar reason, Plaintiff’s reliance on *Finjan, Inc. v. Blue Coat Systems, Inc.*, 879
13 F.3d 1299 (Fed. Cir. 2018), is misplaced. In *Finjan*, the Federal Circuit held that a patent directed
14 to an innovative method of virus scanning was patent eligible as an improvement in computer
15 functionality. *Finjan*, 879 F.3d at 1304. Notably, in that case, the Federal Circuit relied heavily
16 on the district court’s narrow construction of the claims – specifically, that the limitation of a
17 “security profile that identifies suspicious code” meant a profile that included all potentially
18 hostile operations based upon a novel, “behavior-based” virus scan detailed in the specification
19 and involving a new kind of computer file. *Id.* The Federal Circuit held that this specific
20 methodology was not merely directed to the abstract idea of “virus scanning” but was instead a
21 concrete inventive improvement to an existing computer functionality.

22 Here, there is no construction (and Plaintiff has not proposed any) that requires a specific
23 method of implementing the results of the claimed invention. Instead, the patented claims merely
24 recite a desired result – facial recognition of a driver and taking actions in response to certain
25 driver activity or vehicle data – which is accomplished using “conventional components
26 performing their basic functions.” *Yu*, 1 F.4th at 1043. Finally, to the extent Plaintiff relies on
27 details set forth in the specification relating to the specific implementation of the claimed system
28 (e.g., Opp. at 8-9), the absence of those details from the claim language militates against patent

eligibility. *See Yu*, 1 F.4th 1044-45 (“In these circumstances, the mismatch between the specification statements that [the patentee] points to and the breadth of claim 1 underscores that the focus of the claimed advance is the abstract idea and not the particular configuration discussed in the specification that allegedly departs from the prior art.”).

C. *Alice* Step Two

Turning to step two of the *Alice* inquiry, the Court considers “whether the claimed elements— ‘individually and as an ordered combination’—recite an inventive concept.” *Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1316 (Fed. Cir. 2019) (quoting *Alice*, 573 U.S. at 217). Here, the Court finds that the ’261 patent does not recite an inventive concept sufficient to elevate the claims beyond a mere abstract idea.

Plaintiff does not dispute that the claimed elements, taken individually, recite generic computer and network components such as a “camera,” a “circuit,” a “processor,” a “radio communications link with an antenna,” and a “server.” Instead, Plaintiff argues that, considered as a whole, the ’261 patent represents an improvement over the prior art and is therefore transformed into a patent-eligible invention. *Opp.* at 14. Again, Plaintiff conflates novelty under 35 U.S.C. §§ 102 and 103 with inventiveness under 35 U.S.C. § 101 and *Alice*. In Plaintiff’s own words, “the ’261 patent identifies an unmet need . . . to know how much a vehicle is driven, by whom, when, where, at what speed compared to the speed limit, carrying what load, and whether any of the drivers take their eyes off the road for too long or engage in other risky driving behaviors” and is an improvement on prior art where “cameras could be installed in vehicles to take images of drivers while they are driving and the images could be sent to insurance companies for human review.” *Opp.* at 7. In other words, the claimed novelty stems from using generic computer components to carry out an abstract idea faster and with more efficiency than a person, and not a “non-conventional and non-generic arrangement of known, conventional pieces.” *Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016). Accordingly, the Court finds that the ’261 patent claims fail to recite an inventive concept sufficient to transform the patent from an abstract idea to a patent-eligible invention.

D. Leave to Amend

Defendant seeks dismissal of the complaint with prejudice, and Plaintiff does not respond to this argument or ask for leave to amend. The Court is skeptical that any additional allegations could establish that the asserted claims are directed to patent eligible subject matter, given the language of the patent itself and the legal standards discussed above. But it cannot definitively say at this stage that amendment necessarily would be futile. Accordingly, the Court will grant Plaintiff one opportunity to file an amended complaint.

IV. CONCLUSION

The Court **GRANTS** Defendant's motion to dismiss the complaint with leave to amend.³ Any amended complaint must be filed within 21 days of the date of this order. Failure to remedy the deficiencies described in this order will result in dismissal with prejudice and without further leave to amend.

The Court further **CONTINUES** the case management conference to December 19, 2023, at 2:00 p.m. All counsel shall use the following dial-in information to access the call:


Dial-In: 888-808-6929;

Passcode: 6064255

All attorneys and pro se litigants appearing for a telephonic case management conference are required to dial in at least 15 minutes before the hearing to check in with the courtroom deputy. For call clarity, parties shall NOT use speaker phone or earpieces for these calls, and where at all possible, parties shall use landlines. The Court further **DIRECTS** the parties to meet and confer and submit a joint case management statement by December 12, 2023.

IT IS SO ORDERED.

Dated: October 23, 2023


HAYWOOD S. GILLIAM, JR.
United States District Judge

³ Defendant moves to dismiss the entire complaint on the grounds that all claims of the '261 patent are invalid under Section 101. *See* Mot. at 13, 25. Plaintiff does not contest Defendant's challenge as to all claims of the '261 patent, and the Court accordingly treats all claims of the '261 patent as asserted and grants Defendant's motion as to all claims.